

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1382**

**Introduced by Assembly Member Correa**

February 21, 2003

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An act to amend ~~Section 7121~~ *Sections 7121, 7122.1, and 7143* of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1382, as amended, Correa. Contractors: licensing.

(1) Existing law, the Contractors' State License Law, creates the Contractors' State License Board within the Department of Consumer Affairs and provides for the licensing, regulation, and discipline of contractors. Existing law prohibits any person whose license was denied, revoked, or suspended who had knowledge and participated in the acts for which the license was denied, revoked or suspended, from serving as a member, officer, director, or ~~associated~~ *associate* of a licensee.

This bill would exempt from this prohibition a person whose license was denied for failure to document sufficient satisfactory experience.

(2) *Existing law prohibits a partner or managing officer or employee from disassociating himself or herself from a license after receiving a citation in order to avoid complying with the citation.*

*This bill would instead prohibit a partner or managing officer or employee from disassociating himself or herself from a license after an act or omission that resulted in a citation in order to avoid complying with the citation.*

(3) Existing law allows a suspended contractor's license to be renewed only as an inactive license and prohibits a contractor from engaging in licensed activity until the license is reinstated.

*This bill would instead authorize the renewal of an expired license which has been suspended as an active license but would prohibit a contractor with a suspended license from engaging in any activity relating to the license until the license is reinstated.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7121 of the Business and Professions  
2 Code is amended to read:

3 7121. Any person who has been denied a license for a reason  
4 other than failure to document sufficient satisfactory experience,  
5 or who has had his or her license revoked, or whose license is under  
6 suspension, or who has failed to renew his or her license while it  
7 was under suspension, or who has been a member, officer, director,  
8 or associate of any partnership, corporation, firm, or association  
9 whose application for a license has been denied for a reason other  
10 than failure to document sufficient satisfactory experience, or  
11 whose license has been revoked, or whose license is under  
12 suspension, or who has failed to renew a license while it was under  
13 suspension, and while acting as a member, officer, director, or  
14 associate had knowledge of or participated in any of the prohibited  
15 acts for which the license was denied, suspended, or revoked, shall  
16 be prohibited from serving as an officer, director, associate,  
17 partner, or qualifying individual of a licensee, and the  
18 employment, election, or association of this type of person by a  
19 licensee shall constitute grounds for disciplinary action.

20 SEC. 2. Section 7122.1 of the Business and Professions Code  
21 is amended to read:

22 7122.1. Notwithstanding Section 7068.2 or any other  
23 provision of this chapter, the disassociation of any qualifying  
24 partner, responsible managing officer, or responsible managing  
25 employee from a license ~~that has been cited after the act or~~  
26 *omission has occurred that resulted in a citation* pursuant to  
27 Section 7099 shall not relieve the qualifying partner, responsible  
28 managing officer, or responsible managing employee from



1 responsibility for complying with the citation. Section 7122.5  
2 shall apply to any qualifying partner, responsible managing  
3 officer, or responsible managing employee of a licensee that fails  
4 to comply with a citation after it is final.

5 *SEC. 3. Section 7143 of the Business and Professions Code is*  
6 *amended to read:*

7 7143. A license ~~which~~ that is suspended for any reason which  
8 constitutes a basis for suspension under this chapter, is subject to  
9 expiration and shall not be renewed as active. ~~The license may only~~  
10 ~~be renewed as inactive as provided in this chapter, but such this~~  
11 renewal does not entitle the licensee, while the license remains  
12 suspended, and until it is reinstated, to engage in ~~the licensed~~ any  
13 activity *to which the license relates*, or in any other activity or  
14 conduct in violation of the order or judgment by which the license  
15 was suspended.

